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WESTERN COMPREHENSIVE PLANNING TECHNIQUE FOR THE DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES, AND POSSIBLE IMPROVEMENTS

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WESTERN COMPREHENSIVE PLANNING TECHNIQUES FOR THE DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES AND POSSIBLE IMPROVEMENTS

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I. Introduction. The need to promote the development of under-developed countries is the more imperative the greater the inequality between them and the industrialised countries continue to increase. The relevant question which arises in regard to planning in such countries is therefore not "why" but "how" to plan. There is no single method of programming, but there are various ways of development. Three points are dealt with in the introduction: (a) the inadequacy of trying to develop along the classical lines of economic liberalism; (b) the need to undertake planning action so as to promote the full development of insufficiently developed countries; and (c) the ambiguities in the concept of planning.

II. Economic programming: the Western development formula for under-developed countries.

(a) Preliminary analyses in economic programming. It is the stage of diagnosing the past and present situation which centres around three series of researches: (i) the position of the population (census by numbers and quality), (ii) the potentialities (gross resources of all kinds, positive and negative development factors), (iii) the structures (of agriculture, industry, the home market, services, etc.)

(b) Draft of two possible programming approaches. This stage of projecting or of fixing the objectives of development will result in comparing what is "desirable" with what is really "possible". There are two possible methods (i) Method of projection from a complete econometric model. The relations existing between the various factors such as production, consumption, investment, revenue, foreign trade, etc., form a set of simultaneous equations which allow future developments to be foreseen. (ii) The method of projection which we might call the empirical approach. This method uses information on past trends for its forecasts and future projects.

Both methods have their merits and their defects. From the point of view of scientific elegance, the econometric method is more familiar and dearer to the heart of professors of pure theoretical economics. But the development of disinherited countries is not an "art for art's sake" which is carried out for the sake of logical and mathematical reasoning; on the contrary, it must meet the vital need of combatting hunger and poverty in these countries. As the necessary statistics for drawing up an econometric model are available only in a very few under-developed countries, it may be necessary to use more empirical and less econometric methods. The choice between one or the other method depends essentially on the ability of the planners and both may be used simultaneously in particular cases if they are combined in a judicious manner.

III. Outline of a programming technique for drawing up a comprehensive development plan.

This programming technique involves several stages.

(a) Macroeconomic or overall planning phase (fixing one or several rates of growth; analytical tools for projecting the macroeconomic constituents),

(b) Microeconomic or sector planning phase (projection by sectors using the input-output technique among others).

(c) Co-ordinating phase (comparing overall and sector projections in order to detect and eliminate incompatibilities in these two estimates)

(d) Executing the development plan.

IV. Possible improvements.

(a) A first improvement should consist of perfecting the programming technique.

(b) Alongside the national approach one should introduce the regional approach into programming, i.e. create dovetailing activities as between the different regions in order to be able truly to integrate the national economy.

(c) The economic programming should also take account of extra-economic factors, that is to say purely economic concepts must be viewed from a more human standpoint. In particular no economic plan in which education and professional training are not fully incorporated can claim to be a comprehensive plan of development.

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